



# STATE OF IOWA

TERRY E. BRANSTAD, GOVERNOR  
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DEPARTMENT OF HUMAN SERVICES  
CHARLES M. PALMER, DIRECTOR

## INFORMATIONAL LETTER NO. 990

**TO:** Iowa Medicaid Hospital, Physicians, Dentists, Podiatrists, Optometrists, Opticians, Pharmacy, Home Health Agency, Independent Lab, Ambulance, Medical Supply Dealers, Clinics, Rural Health Clinics, Chiropractors, Audiologists, Skilled Nursing Facilities, Rehab Agency, Intermediate Care Facilities, Community Mental Health Center, Mental Hospitals, Community Based ICF/MR, Psychologists, Hearing Aid Dealers, Orthopedic Shoe Dealers, Ambulatory Surgical Center, Certified Registered Nurse Anesthetists, Hospice, Clinical Social Workers, Federal Qualified Health Centers, Nursing Facility/MI and Advance Registered Nurse Practitioner Providers

**ISSUED BY:** Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

**DATE:** March 9, 2011

**SUBJECT:** Billing Medicare Cross-Over Claims to the IME

**EFFECTIVE:** Immediately

Recently, the IME reviewed and updated our procedure code set to ensure it accurately reflects whether a code is also covered by Medicare. This coordination is necessary to ensure accurate payment for Medicaid members who also have Medicare (primary) coverage.

We set the "Medicare coverage" indicator on our procedure code files as "yes" where there is any circumstance under which Medicare may cover the code (however limited). We are aware that in some situations Medicare coverage of a particular code may be narrower than Medicaid coverage. In these cases, when it is known that Medicare will not cover the service (either in whole or if there is limitation lower than what Medicaid allows), providers may append the "SC" modifier to the procedure code indicating the Medicare coverage criteria is not applicable when submitting the CMS-1500 or UB-04 claim to the IME.

As a reminder, providers must resolve rejected and denied claims directly with the Medicare carrier unless the service is an excluded Medicare benefit or the coverage limitations for the service are different between our policy and that of Medicare. Medicaid will not pay for services that were denied by Medicare due to National Correct Coding Initiative (NCCI), Medically Unlikely Edit (MUE) or other bundled edits. In addition if Medicare denies coverage for a service on the basis that it is "not medically necessary," Medicaid will also deny the service in those cases where our policy is aligned with Medicare.

If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909 or 256-4609 (in Des Moines) or by e-mail [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).